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Attorneys for the Foreign Representative

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PERFORADORA ORO NEGRO,
S. DE R.L. DE C.V., *et al.*

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 18-11094 (SCC)
(Jointly Administered)

NOTICE PURSUANT TO 11 U.S.C. § 1518
AND REQUEST FOR STATUS CONFERENCE

Alonso Del Val Echeverria, the Foreign Representative for Perforadora Oro Negro, S. de R.L. de C.V. (“Perforadora”) and Integradora de Servicios Petroleros Oro Negro, S.A.P.I. de C.V. (“Integradora,” and together with Perforadora, the “Debtors”), hereby files this update pursuant to 11 U.S.C. § 1518 and requests a conference with the Court regarding the status of the Debtors.¹

Update Pursuant to 11 U.S.C. § 1518

I. Singapore Proceeding

As the Foreign Representative explained in his Initial Declaration, on January 26, 2018, the Bondholders sued Mr. Del Val and two of Integradora’s managers in Singapore (the “Singapore Proceeding”). *See* Initial Decl. ¶ 70.

In September 2018, the Singapore High Court dismissed the lawsuit in its entirety, and on February 15, 2019, issued its written Grounds for Decision, which is a document setting forth the reasons for the court’s dismissal. Attached as **Exhibit A** is the Grounds for Decision issued by the Singapore High Court.

II. Pemex Proceeding

As the Foreign Representative explained in his Initial Declaration, on October 26, 2017, Perforadora filed an action in a Mexican federal court, akin to a U.S. District Court, against Petroleos Mexicanos and some of its affiliates (“Pemex”) for breach of contract based on Pemex’s unlawful termination of the Primus, Laurus, Fortius and Decus Contracts (the “Pemex

¹ Capitalized terms not defined herein shall have the meanings assigned to them in the *Verified Petition For Recognition of Foreign Main Proceeding and Granting Discretionary Relief* [ECF 1] and the April 20, 2018, *Declaration of Alonso Del Val Echeverria* (the “Initial Declaration” or “Initial Decl.”) [ECF 3].

Proceeding"). See Initial Decl. ¶ 51.²

On February 20, 2019, the Mexican federal judge presiding over the Pemex Proceeding issued a 175-page judgment, ruling that Pemex's purported terminations of the Primus, Laurus, Fortius and Decus Contracts are invalid and unenforceable. Attached as **Exhibit B** is the order issued by the Fifth Civil District Court in Mexico City (the "Pemex Order").³

Mediation

The Debtors and the Ad-Hoc Group engaged in mediation efforts from January 9, 2019, to March 26, 2019 (the "Mediation"). The Mediation concluded unsuccessfully. See ECF 179.

Request for Status Conference

As the Foreign Representative explained in his initial declaration, since 2017, Pemex has been refusing to pay Perforadora past due daily rates amounting to over USD 100 million. From June to September, 2018, the Concurso Court ordered Pemex to pay approximately USD 96 million into the Mexican Trust. In September of 2018, the Ad-Hoc Group caused a Mexican judge to issue an order seizing the Mexican Trust and Perforadora's bank accounts, which at the time held approximately USD 84 million. Throughout this time period, the Debtors properly maintained the Jack-Up Rigs.

As a condition of Mediation, the Ad-Hoc Group provided funding for the Debtors to maintain the Jack-Up Rigs. The Ad-Hoc Group has committed to provide funding that the Debtors

² As set forth in the Initial Declaration, Pemex purported to terminate these four contracts on the basis that Pemex had entered into lease agreements with other vendors of jack-up rigs for the same daily rates that Pemex had proposed to Perforadora and Perforadora had supposedly refused to accept. See Initial Decl. ¶ 49.

Pemex purported to terminate the Impetus Contract on the basis that Perforadora had filed for *concurso mercantil*. See Initial Decl. ¶ 50. On November 7, 2017, Perforadora moved for the *Concurso* Court to declare invalid and unenforceable Pemex's purported termination of the Impetus Contract. See Initial Decl. ¶ 51. That motion is pending. *Id.*

³ The Foreign Representative is not providing a translation of the Pemex Order at this time due to the high cost of translating the entire 175-page document.

believe will enable them to maintain the Jack-Up Rigs until April 17, 2019. As of April 18, 2019, however, the Debtors will not have the funds necessary to maintain the Jack-Up Rigs or have a crew aboard them.

If the Ad-Hoc Group fails to abide by its funding commitments, the Debtors have only enough funds to maintain the Jack-Up Rigs until April 1, 2019. As of April 2, 2019, however, the Debtors will not have the funds necessary to maintain the Jack-Up Rigs or have a crew aboard them.

The Debtors have informed the Ad-Hoc Group of both sets of dates.

The Debtors expressly reserve and do not waive any and all claims and rights against the Ad-Hoc Group, including their agents and any companies actually or purportedly under their control, for depriving the Debtors of cash and causing the Debtors to lose physical custody of the Jack-Up Rigs, as well as any and all rights and claims regarding, arising from or related to the Jack-Up Rigs. This notice does not constitute a surrender or forfeiture of the Jack-Up Rigs or of any rights or claims associated with or related to the Jack-Up Rigs.

The Debtors hereby request a status conference before the Court to discuss (1) the status of the Debtors and the Jack-Up Rigs now that Mediation has concluded; and (2) outstanding discovery concerns the Debtors have, as will be reflected in forthcoming letters.

Subject to the Court's availability, the Debtors respectfully suggest holding an on-record status conference on April 3, 2019.

[Signature page follows]

Dated: March 28, 2019
New York, New York

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